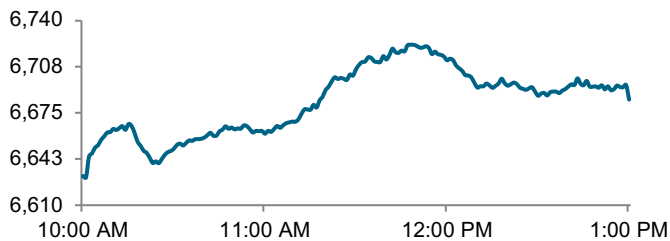


DAILY MARKETS OVERVIEW

13 MAY 2020

TASI Intraday



Source: Reuters

Saudi Stock Indices

| Index | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|--------------------------------|------------|---------|-------|-------|----------|
| Saudi (TASI) | 6,684 | 1.2 | 0.8 | -20.3 | 18.5 |
| Saudi (NOMU) | 6,810 | -0.8 | 1.3 | -8.5 | NA |
| Energy | 4,746 | 1.3 | 1.0 | -12.8 | 20.7 |
| Materials | 4,090 | 3.0 | 4.4 | -20.8 | 48.4 |
| Capital Goods | 3,337 | 0.2 | -0.1 | -23.0 | 22.3 |
| Com. & Prof. Svc | 3,378 | 0.2 | -0.4 | -29.2 | 11.9 |
| Transportation | 3,186 | 1.3 | -1.5 | -27.5 | 15.3 |
| Cons. Durables & Apparel | 3,134 | 2.6 | 4.0 | -10.6 | NA |
| Consumer Services | 2,948 | 0.1 | -1.1 | -25.5 | 27.8 |
| Media | 6,793 | 0.0 | -2.1 | -27.7 | 21.1 |
| Retailing | 5,833 | -0.4 | -7.2 | -24.2 | NA |
| Food & Staples Retailing | 7,556 | 1.5 | -3.6 | 14.2 | NA |
| Food & Beverages | 4,425 | 0.5 | 0.0 | 1.6 | 36.7 |
| Health Care Equipment | 3,516 | 0.2 | 0.9 | -5.7 | 23.9 |
| Pharma, Biotech & Life Science | 3,575 | -2.0 | -0.7 | -0.6 | NA |
| Banks | 5,929 | 0.5 | 0.0 | -26.9 | 10.8 |
| Diversified Financials | 2,777 | 1.0 | 0.1 | -15.9 | NA |
| Insurance | 4,084 | 0.9 | 0.2 | -9.5 | 38.3 |
| Telecommunication | 5,997 | 1.8 | 2.5 | -7.3 | 21.0 |
| Utilities | 3,497 | 1.6 | 3.2 | -20.5 | NA |
| REITs | 3,536 | 0.3 | -0.2 | -15.8 | 19.2 |
| Real Estate | 2,393 | 1.0 | -2.6 | -23.6 | NA |

Sources: Bloomberg, Reuters, Tadawul

Top 5 Gainers

| Company | Last Close | % Change | Value (SAR mn) |
|-----------------------------------|------------|----------|----------------|
| National Petrochemical Co. | 22.00 | 10.0% | 15 |
| Al Gassim Investment Holding Co. | 11.22 | 10.0% | 50 |
| Tabuk Agriculture Development Co. | 15.02 | 10.0% | 40 |
| Saudi Industrial Services Co. | 17.40 | 6.1% | 20 |
| Saudi Industrial Investment Group | 19.00 | 5.6% | 38 |

Source: Tadawul

Latest Earnings

| Company | Date | Period | Q NI (SAR mn) | Y/Y % | Q EPS (SAR) | Vs. Consensus |
|----------------|--------|--------|---------------|-------|-------------|---------------|
| Saudi Aramco | 12-May | 1Q20 | 63,532.0 | -24% | 0.32 | NA |
| SAIC | 12-May | 1Q20 | 8.4 | 102% | 0.17 | NA |
| MESC | 12-May | 1Q20 | 0.3 | 103% | 0.01 | NA |
| Arabian Cement | 10-May | 1Q20 | 45.1 | 22% | 0.45 | NA |
| Nadec | 10-May | 1Q20 | 18.2 | 596% | 0.18 | NA |

Source: Tadawul

NOTES: (1) Prices as of last trade. Updated as of May 13, 2020

(2) WTD: Week to Date and YTD: Year to Date

Saudi Market Update

- TASI closed 1.2% higher at 6,684 while NOMU declined 0.8% to 6,810 on Tuesday. TASI traded value totaled SAR 4.1bn and averaged SAR 4.2bn over the last 30 days. The five most active stocks (by value) in TASI accounted for 29.5% of the daily traded value.
- MSCI Emerging Markets closed 0.7% lower on Tuesday, trading at a P/E (TTM) of 13.6x vs. 18.5x for TASI.
- Banks and Materials gained 0.5% and 3.0%, respectively. Telecom closed 1.8% higher. Materials (up 3.0%) was the best performing sector. Among stocks, National Petrochemical Co. (2002/PETROCH AB), Al Gassim Investment Holding Co. (6020/GACO AB), and Tabuk Agriculture Development Co. (6040/TAACO AB), led the gainers.
- The General Authority for Statistics (GASTAT) revealed that KSA's Index of Industrial Production (IIP) declined 3.29% Y/Y to 121.45 points in March 2020. The mining and quarrying activity index fell 0.4% by the end of March. Similarly, the manufacturing industry activity declined 11.5% over the same month, while electricity, water & gas index increased 4.3%. (Source: Argaam)
- The Saudi Arabian Oil Company (2222/ARAMCO AB) posted a 24% Y/Y drop in net profit after Zakat and tax to SAR 63.5bn (USD 16.9bn) for 1Q20, compared to SAR 83.2bn (USD 22.1bn) in 1Q19. The decrease was attributed to lower crude oil prices, declining refining and chemical margins, as well as inventory revaluation losses. (Source: Argaam)
- The Saudi Arabian Oil Company (2222/ARAMCO AB) stated that the Fadhili gas plant increased its processing capacity to 2 billion cubic feet a day (cf/d) in 1Q20 from 1.5 billion cf/d by the end of 2019. Aramco added that progress remained on track and expecting the plant to reach full capacity of 2.5 billion cf/d by the end of 2020. (Source: Argaam)
- Zahrat Al Waha for Trading Co. (3007/OASIS AB) signed a SAR 33.5mn (USD 8.9mn) loan facility with Saudi Industrial Development Fund (SIDF). The loan will be used in financing the company's working capital, noting the duration of the facility is 12 months from the date of obtaining the loan. (Source: Argaam)
- The Saudi Arabian Oil Company (2222/ARAMCO AB) announced distributing cash dividends of SAR 0.35 per share for 1Q20, implying a full-year yield of 4.5%. (Source: Argaam)

Top 5 Losers

| Company | Last Close | % Change | Value (SAR mn) |
|---------------------------------|------------|----------|----------------|
| Ataa Educational Co. | 34.00 | -3.7% | 7 |
| Saudi Ceramic Co. | 27.85 | -3.1% | 23 |
| United Electronics | 45.10 | -2.6% | 88 |
| AXA Cooperative Insurance Co. | 25.30 | -2.3% | 8 |
| Zamil Industrial Investment Co. | 14.54 | -2.3% | 9 |

Most Active Stocks by Value (SAR mn)

| Company | Last Close | % Change | Value (SAR mn) |
|---|------------|----------|----------------|
| Dar Alarkan Real Estate Development Co. | 7.00 | 2.8% | 354 |
| Saudi Basic Industries Corp. | 76.00 | 4.1% | 286 |
| Al Rajhi Bank | 53.30 | 0.4% | 226 |
| Alinma Bank | 14.46 | 0.3% | 176 |
| The Saudi Arabian Oil Company | 31.30 | 1.3% | 160 |

Source: Tadawul

DAILY MARKETS OVERVIEW

13 MAY 2020

السوق الفرنسي كابتال
Saudi Fransi Capital
Distinguished Service, Outstanding Performance



GCC Stock Indices

| Index | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------|------------|---------|-------|-------|----------|
| Dubai (DFM) | 1,892 | 0.5 | -1.6 | -31.6 | 7.3 |
| Abu Dhabi (ADX) | 4,134 | 0.3 | 1.8 | -18.6 | 12.4 |
| Kuwait (KSE) | 4,765 | 0.0 | -1.3 | -14.7 | 22.3 |
| Qatar (QE) | 8,892 | 0.3 | 1.1 | -14.7 | 14.0 |
| Oman (MSM) | 3,451 | -0.4 | -0.9 | -13.3 | 8.2 |
| Bahrain (BSE) | 1,239 | -1.1 | -3.2 | -23.1 | 8.6 |
| DJMENA Index | 471 | 0.8 | 0.3 | -22.2 | NA |

Source: Bloomberg, Reuters

Global Stock Indices

| Index | Last Close | 1 Day % | WTD % | YTD % | PE (TTM) |
|-----------------------|------------|---------|-------|-------|----------|
| US (S&P 500) | 2,870 | -2.1 | -2.0 | -11.2 | 19.8 |
| US (NASDAQ 100) | 9,003 | -2.1 | -1.3 | 0.3 | 33.5 |
| UK (FTSE 100) | 5,995 | 0.9 | 1.0 | -20.5 | 20.4 |
| Germany (DAX) | 10,820 | -0.1 | -0.8 | -18.3 | 20.9 |
| France (CAC 40) | 4,473 | -0.4 | -1.7 | -25.2 | 17.7 |
| Russia (MICEX) | 2,642 | 0.0 | 0.0 | -13.3 | 6.7 |
| Japan (Nikkei) | 20,366 | -0.1 | 0.9 | -13.9 | 19.1 |
| Hong Kong (HSI) | 24,246 | -1.4 | 0.1 | -14.0 | 10.1 |
| South Korea (KOSPI) | 1,922 | -0.7 | -1.2 | -12.5 | 19.5 |
| China (SHCOMP) | 2,892 | -0.1 | -0.1 | -5.2 | 14.8 |
| India (NIFTY) | 9,197 | -0.5 | -0.6 | -24.4 | 18.1 |
| Brazil (IBOV) | 77,872 | -1.5 | -3.0 | -32.7 | 15.1 |
| Turkey (BIST 100) | 99,616 | 1.9 | 1.8 | -12.9 | 7.9 |
| Egypt (EGX30) | 10,588 | 2.8 | 4.0 | -24.2 | 8.9 |
| MSCI Emerging Markets | 909 | -0.7 | -0.3 | -18.4 | 13.6 |
| MSCI World | 2,034 | -1.3 | -1.3 | -13.8 | 19.2 |

Source: Bloomberg, Reuters

Commodities Prices

| Index | Last Close | 1 Day % | WTD % | YTD % | 1 Year % |
|------------------------|------------|---------|-------|-------|----------|
| Brent Crude (\$/bbl) | 30.0 | 1.2 | -3.2 | -54.6 | -57.3 |
| Natural Gas (\$/mmbtu) | 1.7 | -5.8 | -5.7 | -21.4 | -33.6 |
| Gold (\$/oz) | 1,703 | 0.3 | 0.0 | 12.2 | 31.0 |
| Silver (\$/oz) | 15.4 | -0.3 | -0.2 | -13.5 | 4.6 |
| Platinum (\$/oz) | 765 | -0.4 | -0.9 | -20.9 | -10.4 |
| Copper (\$/t) | 5,228 | 0.1 | -0.3 | -15.0 | -12.7 |
| Zinc (\$/t) | 2,003 | -1.2 | 0.0 | -12.1 | -26.0 |
| Lead (\$/mt) | 1,639 | 0.6 | 1.2 | -14.8 | -8.2 |
| Wheat (\$/bu) | 515 | -0.5 | -1.4 | -7.9 | 6.4 |
| Corn (\$/bu) | 322 | 1.2 | 0.9 | -16.9 | -20.8 |
| Sugar (\$/lb) | 10.3 | 1.3 | -0.4 | -23.6 | -24.1 |

Source: Bloomberg

Interest Rate Watch (3M Interbank Offer Rate, %)

| Country | Last Close | 1 Day Change | YTD Change | Spread* |
|--------------|------------|--------------|------------|---------|
| US | 0.43 | -0.01 | -1.47 | 0.00 |
| Saudi Arabia | 1.17 | -0.02 | -1.06 | 0.73 |
| UAE | 0.86 | -0.40 | -1.35 | 0.43 |
| Kuwait | 1.75 | 0.00 | -1.00 | 1.32 |
| Qatar | 1.21 | -0.03 | -1.04 | 0.78 |
| Bahrain | 2.23 | 0.05 | -0.43 | 1.80 |

Source: Reuters

NOTES: (1) Prices updated as of May 13, 2020(2) WTD: Week to Date; YTD: Year to Date; NA: Not Applicable, *Spread = US 3M Rate – Country 3M Rate

GCC & Global Markets Update

- US markets ended in the red on Tuesday. S&P 500 and NASDAQ declined 2.1%. Dow Jones Industrial closed 1.9% lower. In Europe, UK increased 0.9%. Germany and France closed 0.1% and 0.4% lower, respectively.
- Asian markets are trading mixed on Wednesday. China and Japan are down 0.2% and 0.6%, respectively. South Korea is trading 0.1% higher. Hong Kong is trading flat, while India is trading 1.9% higher, in the morning session.
- GCC markets ended mixed on Tuesday. Dubai and Abu Dhabi increased 0.5% and 0.3%, respectively. Kuwait closed flat, while Qatar closed 0.3% higher. Oman and Bahrain declined 0.4% and 1.1%, respectively.
- Kuwait joined KSA in announcing fresh oil production cuts to be implemented in June. Kuwait will slash production by 80,000 barrels per day in June, on top of the cuts already agreed under a pact by the OPEC+ group of major oil producing countries. (Source: Trade Arabia)
- According to the Central Bank of Kuwait (CBK), preliminary data of Kuwait's Balance of Payments for FY19 showed a surplus of KWD 821.2mn (SAR 9.9bn), compared with KWD 1.1bn (SAR 13.4bn) in 2018. (Source: Trade Arabia)
- The Central Bank of Oman (CBO) revealed the country's nominal Gross Domestic Product (GDP) declined 4% in 2019 compared to a nominal GDP growth of 12.3% in 2018. The contraction in 2019 was driven by shrinkages in the contributions of the petroleum and non-petroleum sectors, which had contracted by 8.4% and 0.9% respectively. (Source: Decypha)
- According to the CBK, Kuwaitis spent 7.35% less on overseas travel during 2019. Spending on tourism abroad retreated to KWD 3.73bn (SAR 45.3bn) last year, compared to KWD 4.03bn (SAR 48.9bn) in 2018. (Source: Decypha)
- According to the Dubai Chamber of Commerce and Industry, E-retail companies in the UAE have succeeded despite the challenges of high demand due to the spread of Coronavirus (Covid-19) and disruption of supply chain worldwide. (Source: Trade Arabia)
- According to the Bahrain Tender Board, Bahrain had awarded a total of 372 tenders worth USD 740mn (SAR 2.7bn) during the first three months of the year, thus reaffirming the country's efforts to continue public and private sector spending on major infrastructure projects despite the exceptional circumstances currently affecting the globe regarding the Covid-19 outbreak. (Source: Trade Arabia)
- UAE-based Azizi Developments has announced that 21% of the work had been completed on its key project Berton - a 245-unit residential development - and was on track for mid-2021 completion. (Source: Trade Arabia)

Coming Up

- US EIA Petroleum status report on weekly change in crude oil inventories for the week ended May 8 (prior: +4.6mn barrels) will be announced today. (Source: Trading Economics)
- UK Industrial Production for March 2020 (prior: 0.1% Y/Y, -2.8% Y/Y) will be announced today. (Source: Trading Economics)
- US jobless claims for the week ended May 9 (prior: 3.2mn; consensus: 3.0mn) will be announced tomorrow. (Source: Trading Economics)



Contacts

RESEARCH & ADVISORY

Research&Advisory@FransiCapital.com.sa

SAUDI FRANSI CAPITAL

Call Centre

800-125-9999

Website

www.sfc.sa

SAUDI FRANSI CAPITAL (CLOSED JOINT STOCK COMPANY OWNED BY BANQUE SAUDI FRANSI)

Licensed by the Capital Market Authority to conduct all securities business activities. license Number 11153-37

C.R. 1010231217 - Paid Up Capital 500,000,000 S.R.

Head Office: 8092 King Fahd Road - Riyadh 12313-3735 - Kingdom of Saudi Arabia

Mailing Address: P.O. Box 23454 - Riyadh 11426

Tel: +966 11 282 6666 - Fax: +966 11 282 6667

Disclaimer

The information in this report was prepared for the purpose of viewing public information only. This information was gathered in this report from various public sources believed to be reliable. Whilst all reasonable care has been taken to ensure that the facts, the forecasts, and expectations contained in this report are accurate. Saudi Fransi Capital makes no representations or warranties whatsoever as to the accuracy of the data and information provided and, in particular, Saudi Fransi Capital is not to be held responsible if the information in this report is not complete or free from any error.

This report is not to be construed as, an offer or solicitation of an offer to buy or sell any financial securities or adapt an investment or trading method. Saudi Fransi Capital accepts no liability whatsoever for any loss arising from any use of this report or its contents.

This report provides information of a general nature and is not intended to provide investment advice and does not take into account the reader's financial situation or any specific investment objectives which the reader may have. Before making any investment decision, the reader should seek an independent advice from his financial advisor because the investment in such kind of securities may not be suitable for all.